

**Public Hearing on  
Proposed Resolution 14-315**

**“Director of the Department of Housing and Community  
Development Stanley Jackson Confirmation Resolution of 2001”**

**Before the  
Committee on Economic Development  
Harold Brazil, Chairperson  
Council of the District of Columbia**



**Testimony of Stanley Jackson  
Acting Director  
Department of Housing and Community Development**

**Monday, December 10, 2001**

Good Afternoon, Chairman Brazil, and members of the Committee on Economic Development. My name is Stanley Jackson and I come before you this afternoon as Mayor Williams' nominee to serve as the Director of the Department of Housing and Community Development (Department or DHCD).

## **BACKGROUND**

Let me begin my testimony by telling you a little bit about myself and my history in the District of Columbia Government. I would then like to give an overview of my assessment of the operations of the Department along with my vision for the future of the Department. I want to assure you and members of the Committee of my ability to provide strong leadership and direction to an agency that impacts neighborhood revitalization and the development and preservation of affordable housing in this city.

For the record, I am a long-term resident of the District of Columbia. I hold a Bachelor's degree in Administration from the University of North Carolina at Fayetteville. I have completed graduate courses in Business Administration at Howard University. I also completed an executive training course at Harvard University's John F. Kennedy School of Government.

While serving as Vice President of a local bank, I underwrote and managed the community loan operations. We reviewed and financed many community development projects and operations of both small and large businesses. Through these business arrangements, I developed working relationships with local and national financing institutions, and with local business and non-profit leaders in the real estate industry.

I began my career in the government of the District of Columbia in 1981 as a management analyst at the Office of Tax and Revenue. During my 20-year career with the District, I have worked in a series of challenging, progressive and responsible positions. I rose through the ranks, serving as Division Chief for the Investigations and Collections Division, Chief Tax Enforcement Officer, Associate Director for Audit Compliance and Investigations, Chief of Assessment Services Division for Real Property Tax Administration, Director of Customer Service Administration, and from May of 2000 until my appointment as Acting Director of DHCD, I served as the Chief of Staff to Dr. Natwar Gandhi, the Chief Financial Officer for the District of Columbia. In my role as Chief of Staff, in particular, I assisted in the completion of the fourth consecutive Comprehensive Annual Financial

Report (CAFR) where the District received an unqualified or “clean” audit opinion, helped to obtain bond rating upgrades, ensured a smooth budget process, and facilitated the first Tax Increment Financing deal for the Spy Museum.

The following represents some of the challenging endeavors that I have successfully undertaken.

1. Realigned the Department of Finance and Revenue’s Compliance and Enforcement Operations and created an Investigation and Collections Division that generated a record in revenue collection.
2. Developed and managed the City’s first tax amnesty program which generated in excess of \$24 million dollars---\$12 million more than expected.
3. Created and directed the District’s first “unclaimed property” program.
4. Established and directed a defective check collection operation that recovered \$2.5 million dollars annually in bad checks written to the District.
5. Represented the District in the development and implementation of the tax lien securitization transaction with the D. C. Tax Lien

Certificate Trust and was responsible for coordination between the District, the Trust, Breen Capital Corporation and their legal counsel.

6. Responsible for assuring that audits of two major entities, the Public Benefit Corporation and University of the District of Columbia, were completed in a way that did not adversely affect the satisfactory and timely issuance of the 2000 CAFR or citywide audit.

## **ISSUES**

On July 30, 2001, I became the Acting Director for the Department of Housing and Community Development. At the time of my appointment, the Department was faced with a poor public image, an ongoing investigation by the Office of the Inspector General, and was the subject of a four month review by the Washington Post. Also, within the first 30 days on the job, I was notified by the U. S. Department of Housing and Urban Development (HUD) that they were scheduling a review of the agency's administration of the Neighborhood Development Assistance Program better known as NDAP.

In the midst of these challenges, DHCD was also negotiating the transfer of the Redevelopment Land Agency (RLA) assets to the National Capital

Revitalization Corporation (NCRC), reviewing Development Finance commitments in FY 2001 that obligated the agency's FY 2002 dollars, and moving forward with the Mayor's Omnibus Housing Legislation.

## **CONCERNS**

During my first 120 days I discovered that DHCD had a number of challenges that had to be resolved to effectively and efficiently accomplish its mission. The agency had been functioning in a crisis management mode rather than being proactive. Other findings suggest (1) that the Department communicates poorly both internally and externally; and (2) that the 1998 and 2001 agency re-alignments were incomplete and failed to accomplish the goals of providing the agency with improved systems, operating procedures, and sufficient employee skill sets to accomplish the mission of the agency. The lack of utilizing accountability incentives for employees has contributed to poor performance, poor image and poor delivery of customer service by the agency.

Despite its structural and operational shortcomings, the agency does have its strengths. A number of employees and managers remain committed to the delivery of quality services to District residents. In FY 2001, the agency

created approximately 3,000 new and rehabbed units of affordable housing, and counseled over 6,000 potential first time homebuyers and residents in need of housing rehabilitation assistance. The Department approved \$45 million in funding that leveraged \$376 million in total development costs.

There are many opportunities for this agency to move forward and improve performance and delivery of services. The investment in staff, implementation of technology, along with improved communications will help employee development and facilitate achieving our mission.

In order to accomplish a turnaround in DHCD, there are two major areas that must be addressed. They are: Human Resources and Operations.

### **Human Resources**

In my short tenure at DHCD, I have been proactively assessing how to balance the needs of the organization as well as its constituents. DHCD can and should be a model of outstanding service and performance for the District as well as the nation. In the Human Resources area, I have pinpointed several areas of concern which include: poor labor-management

relations; lack of employee accountability measures and enforcement; and inadequate training opportunities for staff to stay abreast of and be at the forefront of technological and other housing field advances.

To address these distinct human resource and training needs, I have recruited an expert in human resources as well as an expert in training to assist me in organizational planning and resources development. At this juncture we have already begun: labor-management meetings, development of performances standards and measurements for all DHCD personnel, to be completed no later than March 31, 2002; scheduled labor-management partnership meetings to begin in early January 2002; and trained managers in adhering to the principle contents of the Department's collective bargaining agreement.

Sustaining excellence is paramount for the Department of Housing and Community Development. My commitment to invest in the intellectual capital of this organization will forge a path toward relating work performance to the strategic and long-term mission of DHCD. Emphasis will be placed on decision-making, accountability, development of a service culture, and rewarding outstanding team and individual performance.



Employees must be empowered to perform their jobs and make decisions. They need to be involved in the change process and the decision making process. Performance must be measured and every employee must be held accountable for his or her performance or lack thereof.

### **Operations**

As I stated earlier, there were several key operational issues that required my immediate attention. First, I established a working relationship with the NCRC to ensure a smooth transition of RLA assets. We will continue providing the NCRC staff with technical assistance as requested. In addition, we are working very closely with the Deputy Mayor for Economic Development and the Committee on Economic Development to effectuate comprehensive and administratively sound transition legislation, that will be more fully discussed at the upcoming hearing in January (Bill 14-401). Secondly, in light of HUD's monitoring review and the media concerns surrounding the Department's administration of the Neighborhood Development Assistance Program or "NDAP". I began to examine our administration of the NDAP program and realized that immediate improvements/modifications were required to ensure our compliance with all appropriate federal regulations. While I have encountered much

resistance to changing the way DHCD has administered the NDAP, I believe that the revised program for FY 2002 will facilitate the accomplishment of both the Department's and the Mayor's objectives for neighborhood revitalization. The redesigned program will meet all compliance concerns of HUD, will allow for more efficient monitoring by DHCD, is open to competition from community based organizations bringing effective program delivery, and is targeted to meet the Mayor's Neighborhood Action Initiatives.

In order to accomplish these objectives, a new Request for Applications, or RFA, was issued for the NDAP program. The focus of NDAP is targeted neighborhood revitalization with major emphases placed on community input and participation in targeted revitalization initiatives. The new RFA specifically seeks to identify qualified non-profit organizations, Community Development Corporations, and community based organizations that can assist DHCD in its efforts to revitalize the District's under-served neighborhoods and commercial areas. The RFA for the receipt of competitive applications was issued on October 9, 2001, and responses were due on December 7, 2001. We are currently in the evaluation

process, and anticipate awarding the FY 2002 NDAP contracts in early January 2002.

## **Vision**

Given by background in solving governmental challenges, the Mayor and the Deputy Mayor for Planning and Economic Development have requested that I complete three major objectives: (1) meet HUD's spending requirements; (2) create and preserve affordable housing and revitalized neighborhoods; and (3) develop an agency that performs its mission effectively and efficiently.

DHCD has not timely expended or obligated the Department's annual Community Development Block Grant budget. And in FY 2001, the agency lost \$2 million in HOME federal funds because the monies were not spent. There will once again be rollover dollars from FY 2001. However, a comprehensive pipeline of projects has been prepared to guide our spending strategy to ensure that the FY 2002 housing production goals of our residents and the Mayor are being met, and that we are moving progressively to achieve our spending target with HUD. As of today, the Department has since the beginning of the year closed deals representing

over 640 units of new or rehabilitated housing and expended over \$7.0 million in public spending that leveraged in excess of \$47.5 million in private financing. We are well on our way to meeting this year's goal of retaining and creating 1,500 units of affordable housing. In addition, the Department has targeted funds for the preservation of single family housing stock by revamping the implementation of the Single Family Rehabilitation program, and by establishing partnerships with the financial community.

Under my watch, DHCD will not lose funds, nor fail to obligate our current budget by year-end. I welcome the challenge of shattering existing paradigms.

DHCD is a dynamic working environment and valuable platform for building stronger communities for the District and its residents. We owe our residents the best we can give. Thus, as the Acting Director of DHCD, I have initiated the review and realignment of the organizational structure in order to provide coordination and efficiency of its service delivery. I have begun to put in place energetic and competent leadership to change DHCD from a non-productive status quo organization into a high-performance management team. Managers and staff who do not meet the required level

of competency must be and will be removed from the system. Those employees, who are trainable, will be trained in improved processes and technology that will allow us to provide effective service delivery. I have raised the performance bar and we will meet expectations.

## **CONCLUSION**

I was appointed to this position to bring about positive results in an agency where it seemed that nobody had anything good to say. I accepted the appointment because I believe that I am the right manager for the job. My experience in District government has more than prepared me to lead the Department of Housing and Community Development to the forefront of excellence. I have met with HUD officials, who have indicated that the new direction in which I am headed thus far is in line with where the agency should be. They have assured me that they are confident that if I am successful in improving DHCD's operations and providing better service to the community, that the Department can become a model agency.

While I recognize that I may not have the extensive "housing" background as many of my predecessors, it is my assessment of DHCD that it needs a strong leader who can manage the agency, in partnership with the private

sector, to achieve the agency's mission. *The Department will be in a better place under my leadership!*

I seek your support for my nomination as the Director of the Department of Housing and Community Development, allowing me the opportunity to bring this agency to its rightful place of excellence. I welcome your partnership with me to achieve measurable differences in providing safe, decent and affordable housing and to invest in improved neighborhood services for a better quality of life for our residents. This concludes my testimony. I, along with members of my executive staff, will be happy to answer any questions that you may have.